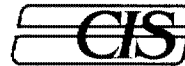


1 5312
RECORDATION NO. _____ FILED 1426

SEP 18 1987 - 1 20 PM

INTERSTATE COMMERCE COMMISSION

September 18, 1987



CIS Corporation
3rd Floor
909 Montgomery Street
San Francisco, CA 94133
(415) 788-7900
TELECOPY 415-421-4722

NE-261A023

SEP 18 1987

Date

Fee \$ 10.00

ICC Washington, D. C.

\$10.00 filing fee

Dear Ms. McGee:

On behalf of CIS Corporation, I submit for filing and recording under 49 U.S.C. Section 11303 (a) and the regulations promulgated thereunder two (2) executed counterparts of the following enclosed document: Security Agreement and Assignment of Lease dated as of September 18th, 1987, a primary document, not previously recorded.

The parties to the above mentioned Security Agreement and Assignment of Lease are:

Bar Lumber
CIS Corporation - Borrower
909 Montgomery Street
Third Floor
San Francisco, CA 94133

and

The Provident Bank - Lender
One East Fourth Street
Cincinnati, OH 45269

The Security Agreement and Assignment of Lease, among other things, secures a loan made by the Lender to the Borrower and covers railroad rolling stock.

The rolling stock covered by the Security Agreement and Assignment of Lease consists of the ninety (90) Rotary Gondola Railcars identified in Schedule A attached thereto.

A short summary to appear in the ICC Index is as follows:

"Ninety (90) Rotary Gondola Railcars: PLMX 40000-40089."

Enclosed is a check in the amount of ten dollars (\$10.00) in payment of the filing fee.

Once this filing has been made, please return to bearer one (1) stamped counterpart of the document not required for filing purposes, together with the fee receipt, the

sf3-4-9-3

ICC OFFICE OF
THE SECRETARY
SEP 18 1 24 PM '87
MOTOR OPERATING UNIT

Maurice Howard
Counterpart

Ms. Noreta McGee
Pg. 2 continued

letter from the ICC acknowledging the filing, and the extra copy of this letter of transmittal.

Very truly yours,

A handwritten signature in black ink, appearing to read "Michael S. Speas".

Michael S. Speas
Corporate Counsel

Honorable Noreta R. McGee
Secretary
Interstate Commerce Commission
Washington, D.C. 20423

Enclosures

MSS/nh

BY HAND

SCHEDULE A

The Units described as follows:

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Road Numbers</u>
90	Greenville Steel Co.	1968 Rotary Gondola Railcars; AAR Car Type Code J402	PLMX 40000 through and including PLMX 40089

1 5312
RECORDATION NO. _____ Filed 1426

SEP 18 1987 -1 20 PM

INTERSTATE COMMERCE COMMISSION

SECURITY AGREEMENT AND
ASSIGNMENT OF LEASE

Dated as of SEPTEMBER 18, 1987

Between
CIS CORPORATION
and
THE PROVIDENT BANK

CSX Transportation, Inc.
Ninety (90) Rotary Gondola
Railcars

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SECURITY AGREEMENT AND
ASSIGNMENT OF LEASE

SECURITY AGREEMENT AND ASSIGNMENT OF LEASE dated as of SEPTEMBER 18, 1987 between CIS CORPORATION, a New York corporation, (the "Borrower") and THE PROVIDENT BANK, (the "Lender"):

WITNESSETH:

WHEREAS, PLM Railcar Management Services, Inc. ("Seller") owns ninety (90) Greenville Steel Co. built Rotary Gondola Railcars and manages thirteen (13) Greenville Steel Co. built Rotary Gondola Railcars (all one hundred three (103) Railcars being hereinafter collectively called the "Railcars"), all as more particularly described in the Lease (as hereinafter defined);

WHEREAS, the Seller leased to CSX Transportation, Inc. (the "Lessee") and the Lessee leased from the Seller the Railcars pursuant to the terms and conditions of a Master Car Lease dated as of May 15, 1987 by and between the Seller and the Lessee (the "Lease");

WHEREAS, the Borrower wishes to purchase and the Seller wishes to sell all of the Seller's rights, title, and interest in and to all of the following property (collectively, the "Property"): (a) (i) the ninety (90) Railcars owned by the Seller and described in Schedule A attached hereto and made a part hereof by reference (collectively, the "Units") and (ii) all additions, parts, fittings, appurtenances, other equipment, accessories, special tools, attachments, and accessions installed in or attached to the Units (all of the foregoing set forth in clause (a) being hereinafter sometimes collectively called the "Equipment"); (b) the Lease as it relates only and in any and all respects to the Equipment and all rights, powers, and remedies of the Seller under the Lease as it relates only and in any and all respects to the Equipment; and (c) any and all insurance policies, binders, and certificates, records, guaranties, endorsements, warranties, indemnity agreements, service contracts, maintenance agreements, financing statements, and other documents and agreements to the extent any relate to any of the foregoing;

WHEREAS, concurrently with the execution of this Agreement, Seller and Borrower have executed that certain Purchase and Sale Agreement and Partial Assignment of Lease, dated as of August 19, 1987 ("Purchase Agreement"), pursuant to which Seller, as seller, agreed to sell to Borrower, and Borrower, as purchaser, has agreed to purchase from Seller, the Property;

WHEREAS, pursuant to the terms and conditions of an Equipment Management Agreement of even date herewith (the "Management Agreement") by and between the Borrower and PLM Investment Management, Inc. ("PLM"), PLM has agreed to perform the obligations and pay the indebtedness of the Borrower under any leases of the Equipment (including the Lease);

WHEREAS, Lender and Borrower intend that Lender shall finance certain obligations of Borrower under the Purchase Agreement;

WHEREAS, the Borrower will finance the purchase price of the Property by issuing a promissory note (hereinafter called the "Note") to the Lender; and

WHEREAS, as security for the obligations of the Borrower under the Note, subject to the rights of Lessee under the Lease, Borrower shall grant to the Lender a first priority security interest in the Property and will assign to the Lender the obligations of Lessee under the Lease.

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS: AMOUNT AND TERMS OF LOAN

SECTION 1.01. Definitions. Unless otherwise defined herein, all capitalized terms not defined herein shall have the meanings set forth in the Lease.

SECTION 1.02. The Loan. Lender agrees, on the terms and conditions hereinafter set forth, to make a loan (the "Loan") to Borrower in the principal amount of \$1,246,140.00 on or before September 30, 1987 ("Delivery Date").

SECTION 1.03. The Note. The Loan shall be evidenced by the Note received by Lender pursuant to Article II hereof, in form satisfactory to Lender, payable to the order of the Lender in the principal amount of the Loan.

SECTION 1.04. Making the Loan. Borrower agrees to give to Lender written or telephone notice (to be confirmed promptly in writing) (the "Borrowing Notice") specifying the date, the bank and the identification of all accounts into which the proceeds of the Loan are to be made to permit wire transfer. Not later than 12:00 p.m. (Cincinnati Time) on the scheduled funding date (the "Closing Date") and upon fulfillment of the applicable conditions set forth in Article II hereof, the Lender will wire transfer the proceeds of the Loan to the bank or banks specified in the Borrowing Notice.

SECTION 1.05. Repayment of Principal of and Interest on the Loan. Borrower shall pay the principal of and interest on the Loan in the amounts and at the times, rates and amounts specified in the Note.

SECTION 1.06 Interest. Interest shall accrue on the unpaid principal amount of the Loan from and including the date of the Loan to but not including the date of the payment in full thereof at a rate specified in the Note; provided, however, that notwithstanding any provision of this agreement to the contrary, the rate of interest on the Loan shall at no time exceed the maximum interest rate which Lender is permitted to charge from time to time under applicable laws.

SECTION 1.07 Computation of Interest. Interest hereunder and under the Note shall be computed on the basis of a 360-day year period.

ARTICLE II

CONDITIONS PRECEDENT

SECTION 2.01. Conditions Precedent to the Loan.

(a) The obligation of Lender to make the Loan to the Borrower on the Closing Date is subject to fulfillment of the following conditions:

(1) The Lender has received evidence satisfactory in form and substance to it as to the following:

(A) The Borrower has good and marketable title to the Collateral (as hereinafter defined), free and clear of all liens.

(B) The Lender has a duly perfected security interest in the Collateral (as defined below) enforceable in accordance with the terms of this Agreement.

(C) Appropriate Uniform Commercial Code financing statements or other documents covering the security interest granted to the Lender hereunder have been delivered to the Lender for filing in each jurisdiction necessary or advisable to perfect or protect the security interest granted hereunder.

(D) The acknowledgment and consent of Lessee as to the assignment by Borrower to the Lender of the Lease.

(2) The acquisition by Lender of the Note to be acquired by it on the Closing Date shall be permitted as a legal investment for the Lender under the laws or applicable rules of the jurisdiction of its organization or to which it is subject.

(3) Borrower has executed the Note in form and substance satisfactory to Lender's counsel.

(4) No default under the Lease, the Purchase Agreement or this Agreement has occurred and is continuing on the Closing Date.

(5) The Lender shall have received certificates of the insurers, satisfactory in form and substance to it, as to the insurance maintained and carried with respect to the Equipment.

(6) The Lender has received such other documents, certificates and opinions as it or Lender's counsel shall reasonably request.

(7) There shall not have been, in the opinion of the Lender, any material adverse change in the business, financial condition or operations of the Borrower or the Lessee.

(8) The Borrower shall have given written or telegraphic notice to the Lender at least one business day prior to the Closing Date, specifying the date of the Closing Date.

(b) The Lender agrees that the making available to the Borrower of the amount of the Loan on the Closing Date shall constitute, without further action by such Lender, conclusive evidence, as between the Borrower and such Lender, that the conditions set forth in paragraph (a) of this Section have been complied with in a manner satisfactory to such Lender.

ARTICLE III

COLLATERAL SECURITY

SECTION 3.01 Grant of Security. Borrower hereby transfers, assigns and sets over to Lender and grants to the Lender, subject to the Lessee's rights created pursuant to the Lease, a security interest in the following (the "Collateral"):

(a) Each installment of rent and all other amounts payable pursuant to the Lease;

(b) All right, title and interest of Borrower as lessor under the Lease together with all rights, powers, privileges and other benefits of Borrower pursuant to the Lease, including without limitation the right to receive and collect all payments, awards, insurance proceeds and other sums receivable by the Borrower pursuant to the Lease, whether from an insurer or Lessee, and to make all waivers, consents and agreements, to give and receive all notices and instruments and to do all other things which the Borrower is or may become entitled to do as lessor under the Lease and to act as Borrower's attorney-in-fact to take any actions under any insurance on the Equipment necessary to protect Lender's security interest hereunder. Notwithstanding this paragraph, unless and until an Event of Default under this Agreement shall have occurred and be continuing, Borrower shall, except as provided in Section 3.05 hereof, be permitted to exercise all rights under the Lease consistent with the terms hereof;

(c) All claims, rights, powers, privileges and remedies on the part of Borrower with respect to (i) (1) the Units and (2) all additions, parts, fittings, appurtenances, other equipment, accessories, special tools, attachments, and accessions installed in or attached to the Units; (ii) the Lease as it relates only and in any and all respects to the Equipment and all rights, powers, and remedies of the Seller under the Lease as it relates only and in any and all respects to the Equipment; and (iii) any and all insurance policies, binders, and certificates, records, guaranties, endorsements, warranties, indemnity agreements, service contracts, maintenance agreements, financing statements, and other documents and agreements to the extent any relate to any of the foregoing, whether arising under the Lease or by statute, at law, in equity or otherwise, after any default under the Lease, or any event or condition which, with the passage of time or the giving of notice, or both, would constitute a default under the Lease;

(d) All right, title and interest of Borrower in (i) the Property; (ii) each and every part whether or not the same shall be or remain incorporated or installed in or attached to any portion of the property referred to in clause (i) above; and (iii) all estates, interests, rights, powers and privileges of Borrower in respect of the foregoing;

(e) All rights of Borrower, in and to the Purchase Agreement and the Management Agreement, together with all estates and interests of Borrower therein and thereto, and all rights, powers and privileges of Borrower thereunder or in respect thereof, and any and all payments thereunder or in respect thereof to which Borrower is or may become entitled;

(f) all right, title and interest of Borrower in and to any other leases or subleases of the Equipment; and

(g) all proceeds from the sale, loan, exchange, lease or other disposition of any of the foregoing including, without limitation, proceeds of involuntary dispositions of the foregoing (including any insurance proceeds);

together with full power and authority, in the name of Lender or Borrower or otherwise, or as attorney-in-fact of Borrower hereby irrevocably constituted, to enforce, collect, receive and receipt for any and all of the foregoing sums assigned, or entitled to be received pursuant to other rights assigned.

SECTION 3.02. Security for Note. This Agreement is made for the benefit of the Lender and any subsequent holder of the Note to secure the payment of the principal of and interest on all outstanding indebtedness under the Note, and the performance of and compliance with all the terms of the Note and of this Agreement, and all costs and expenses of Lender incurred in connection with enforcing performance of and compliance with all the terms of the Note and of this Agreement (all such obligations of the Borrower hereafter referred to as the "Obligations").

SECTION 3.03 Application of Assigned Moneys. (a) If the Note has not been declared to be due and payable in accordance with the provisions of this Agreement, or if any such declaration no longer remains in full force and effect, then all sums paid by Lessee pursuant to the Lease and received by Lender shall be turned over to Borrower (but without any obligation whatever on the part of Lender to see to the application of such sums).

(b) If the Note has been declared to be due and payable in accordance with the provisions of this Agreement, and at all times during which such declaration remains in full force and effect, all sums referred to in Sections 3.03(a) shall be applied upon receipt: First, to the full and final payment of the Note; second, to the payment of any other amounts then due and unpaid under this Agreement; with the balance, if any, to be paid to Borrower.

SECTION 3.04. Prepayment of the Note. The Note can be prepaid at any time without penalty.

SECTION 3.05. Protection of Security. Further to preserve and protect the security afforded the Lender by this Agreement, Borrower agrees:

(a) To perform and comply with each and every term of the Lease and this Agreement to be performed or complied with by Borrower.

(b) Unless the prior written consent (such consent not to be unreasonably withheld) of the Lender is obtained, Borrower shall not waive, amend, modify, or in any way alter any of the terms of the Lease or cancel or terminate the Lease or consent to or accept any cancellation, termination or surrender thereof, or

waive any default under or breach of the Lease, or consent to or accept any prepayment of rent under the Lease or agree to any discount of rent thereunder, or give any other consent or notice other than a notice with respect to a default under the Lease or other immaterial notices which do not affect Lessor's rights under the Lease or make any agreement with Lessee with respect to the Lease.

(c) If Borrower shall fail to make any payment or do any act as provided herein, then Lender may (but shall not be obligated to), without prior notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary or advisable to preserve and protect the Collateral secured hereby, including specifically, without limiting Lender's general powers, the right to appear in and defend any action or proceeding purporting to affect the security interest in the Collateral created by this Agreement or the rights or powers of the Lender hereunder, and the right to perform and discharge each and every obligation, covenant and agreement of Borrower contained in the Lease; and in exercising any such powers, Lender may incur reasonable costs and expenses (including, but not limited to, the reasonable fees and actual expenses of counsel), for which costs and expenses Lender shall be reimbursed by Borrower from the Collateral to the extent not reimbursed by Lessee. Lender shall give Borrower written notice of any action taken by it pursuant to this paragraph.

(d) Borrower agrees that it will use its best efforts to assist Lender in verifying the location and condition of the Collateral and that Lender may at any reasonable time during ordinary business hours at its option, whether or not Borrower is in default, inspect the books and records of Borrower and make copies thereof or extracts therefrom, which inspection shall be reasonably related to the transactions contemplated hereunder.

(e) Borrower shall not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Property title thereto or any interest therein or in the Lease except (i) the respective rights of Borrower and Lessee under the Lease; (ii) the security interest created by this Agreement; and (iii) materialman's, mechanic's, workmen's, repairmen's, employees or other like liens arising in the ordinary course of business.

SECTION 3.06. Protection of Security Interest. Borrower hereby appoints Lender its true and lawful attorney, with full power of substitution in the premises, to enforce Borrower's rights as lessor under the Lease and to take any other action which Lender may deem necessary or appropriate to protect and preserve the security interest of Lender in the Collateral.

SECTION 3.07. No Assumption by the Lender. Anything contained herein or in the Lease to the contrary notwithstanding: (a) Borrower shall at all times remain liable to Lessee under the Lease to perform all its duties and obligations as lessor thereunder to the same extent as if this Agreement had not been executed; (b) the exercise by Lender of any of the rights assigned to it hereunder shall not release Borrower from any of its duties or obligations under the Lease; and (c) Lender shall not have any obligation or liability under the Lease by reason of, or arising out of, this Agreement, or be obligated to perform any of the obligations or duties of Borrower under the Lease or to make any payment or to make any inquiry as to the sufficiency of any payment received by it or to present or file any claim or to take any other

action to collect or enforce any claim for any payment assigned hereunder, or to pay or to see to the payment of or to make any filings in respect of any taxes levied on or with respect to the Lease, the rentals thereunder or the Equipment.

SECTION 3.08. Continuing Security Interest; Transfer of Note. This Article III shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon Borrower, its successors and assigns and (iii) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), Lender may assign or otherwise transfer the Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Borrower. Upon any such termination, the Lender will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower.

(a) Borrower represents, warrants and covenants that

(i) The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of New York and has full power and authority to enter into and perform its obligations under the Basic Documents (as hereinafter defined);

(ii) The execution, delivery and performance by the Borrower of this Agreement, the Note, the Lease, the Management Agreement and the Purchase Agreement (the "Basic Documents") have been duly authorized by all necessary corporate action and under present law do not and will not contravene any law or any governmental rule or regulation or any judgment decree or order presently binding on Borrower or its Articles of Incorporation or By-laws or contravene the provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property of the Borrower, except for the Property, under, any indenture, mortgage, contract or other agreement or instrument to which it is a party or by which it or its property is bound;

(iii) The execution, delivery and performance by the Borrower of the Basic Documents do not require the consent, approval, authorization or order of, the giving of notice to, the registration or filing with, or the taking of any other action in respect of, any Federal, state or other governmental authority or agency;

(iv) The Basic Documents have been duly authorized, executed and delivered by the Borrower and, assuming the due authorization, execution and delivery hereof by the other party hereto, constitute legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance

with their respective terms and the Lease is a legal, valid and binding obligation of Lessee, assuming due authorization, execution and delivery by Lessee, enforceable in accordance with its terms, except as enforceability thereof may be limited by the availability of equitable remedies;

(v) There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened, before any court, administrative agency, arbitrator or governmental body which individually or in the aggregate, might materially impair the ability of the Borrower to perform its obligations hereunder and under the Note and the Borrower is not in default under any indenture, mortgage, contract or other agreement or instrument to which it is a party or by which is or its property is bound;

(vi) On the closing date hereof, Borrower shall have title to the Equipment free and clear of all liens, claims, charges or other encumbrances whatsoever, except the security interest created by this Agreement;

(vii) Financing statements under the Uniform Commercial Code in the form requested by Lender have been executed by Borrower, where appropriate, and have been or shall be delivered to Lender for filing against Borrower in all jurisdictions where such filing is necessary or advisable in order to protect and establish the security interest for Lender granted hereunder and no further action, including any filing or recording of any document (including any financing statement in respect thereof under the Uniform Commercial Code of any applicable jurisdiction), except the filing of this Agreement under Section 11303 of the Interstate Commerce Commission Act, is necessary in order to establish and perfect Lender's security interest granted hereunder against any third parties in any jurisdiction;

(viii) The Note will be entitled to the benefits and security of this Agreement;

(ix) This Agreement creates a valid security interest in favor of Lender in respect of the Equipment and the Lease, which security interest shall be superior in right to all claims of secured and unsecured creditors of Borrower and to all other security interests, liens, claims and encumbrances other than the rights of the Lessee under the Lease; and

(x) The chief executive officer of Borrower is in Syracuse, New York and the office where Borrower keeps its records relating to the Equipment is in San Francisco, California.

(b) Borrower will at all times during the term of this Agreement carry and maintain or cause to be carried and maintained on the Equipment, at its own cost and expense, public liability, property damage and all-risk insurance, all in such form (including the loss payee clause) and with such insurance companies, underwriters or funds as shall be satisfactory to Lender and as is customary for companies owning Equipment of a similar character to the Equipment and engaged in operation similar to that engaged in by the Borrower in respect of the Equipment. All public liability and property damage insurance shall insure against liability which Lender, Borrower or their respective successors and assigns might incur by reason of the operation of the Equipment in any area in which the Equipment is operated.

All liability policies shall name the Borrower as an additional insured and Lender as additional named insured. All policies required hereby covering loss or damage to the Equipment shall provide that payment thereunder for any loss or damage shall be made to Lender as sole loss payee, and excess coverage, if any, payable to Borrower. All policies shall insure the interest of Lender regardless of any breach or violation by Borrower of warranties, declarations or conditions contained in such policies or any action or inaction of the Borrower or others; each such policy shall be primary without right of contribution from any other insurance which is carried by Lender and shall expressly provide that all provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured; each such policy shall waive any right of the insurers to any set-off of counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of Lender or Borrower; and each such policy shall provide that, if any premium or installment is not paid when due, or if such insurance is cancelled, terminated or materially changed for any reason whatsoever, the insurers will promptly notify Lender, and any such cancellation, termination or change shall not be effective as to Lender until 30 days after receipt of such notice. In the event that Borrower shall fail to maintain insurance as herein provided, Lender may at its option provide such insurance and, in such event, Borrower shall, upon demand, reimburse Lender for the cost thereof with interest at the rate of Fifteen Percent (15%).

As between the Borrower and Lender, it is agreed that all insurance payments received as the result of the complete loss, theft, destruction or damage with respect to the Equipment which renders repair impracticable or uneconomical (an "Event of Loss") will be applied so that so much of such payments as shall not exceed the remaining balance of principal and interest owing under the Note and all other amounts due hereunder and required to be paid by Borrower shall be applied in reduction of the Borrower's obligation to pay such amounts, if not already paid by Borrower, or, if already paid by Borrower, shall be applied to reimburse Borrower for its payment of such amounts, and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Borrower.

As between Borrower and Lender, the insurance proceeds of any property damage loss not constituting an Event of Loss with respect to the Equipment will be applied in payment (or to reimburse Borrower) for repairs or for replacement provided Borrower is not in default hereunder, and any balance remaining after such repair or replacement shall be paid to Borrower.

Borrower shall furnish Lender with certificates or other satisfactory evidence of the maintenance of the insurance required hereunder and shall furnish certificates evidencing renewal prior to the expiration date of the original and any renewal policy or policies.

ARTICLE V

EVENTS OF DEFAULT

SECTION 5.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Any installment of principal of or interest on the Note shall not be paid within ten (10) days of the due date thereof; or

(b) Any representation or warranty made by Borrower in this Agreement or by Borrower (or any of its officers) in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to or in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and such failure shall continue for thirty (30) days after written notice from Lender; or

(d) Borrower shall be adjudicated a bankrupt or insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of Borrower and such appointment shall continue undischarged for a period of 30 days; or Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Borrower and shall remain undismissed for a period of 30 days; or any judgment, writ, warrant of attachment of execution or similar process shall be issued or levied against the Collateral, or any part thereof and such judgment, writ or similar process shall not be released, vacated or fully bonded within 30 days after its issue or levy;

then, and in any such event, the Lender may, in addition to the remedies provided for in this Agreement and by written notice to Borrower, declare the entire unpaid principal amount of the Note, all interest accrued and unpaid thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Note, all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower.

ARTICLE VI

REMEDIES

SECTION 6.01. Remedies of Default. If an Event of Default under this Agreement shall occur and be continuing, then Lender, without the necessity of or the obligation to resort to any other security, shall have, in addition to the rights and remedies granted by this Agreement, the right at any time and from time to time, in its sole discretion, to exercise any rights and remedies granted to a secured party holding a purchase money security interest under the Uniform Commercial Code, and Lender may reduce its claim hereunder and on the Note to a judgment, foreclose or otherwise enforce the security interest granted hereby by any procedure, judicial or otherwise, as allowed by law. Any sale of the Collateral hereunder may be held in

Lender's discretion, in any of the following locations: where the Collateral is located, at the office of Borrower or at any of Lender's offices. Upon such sale, Lender may purchase the Collateral free from any equity or right of redemption, which is hereby waived. Upon such sale, after deducting all costs and expenses of every kind for sale or delivery (including, but not limited to, the reasonable fees and expenses of counsel for the Lender) from the proceeds of such sale, Lender shall apply any residue remaining to the payment of the liabilities of Borrower first under the Note and this Agreement. The balance, if any, remaining after payment in full of any and all such liabilities shall be paid to Borrower. Any right granted to Borrower under the Uniform Commercial Code of any state to redeem the Collateral prior to disposition or discharge of the obligation is expressly conditioned upon receipt of Lender of all funds then due under this Agreement and all expenses of Lender is retaking, holding and preparing the Collateral, including, without limitation, reasonable fees and expenses of counsel for Lender. The rights of Lender specified in this paragraph shall be cumulative and shall in no event be deemed exclusive of any other right Lender may have hereunder and pursuant to the laws (including without limitation the Uniform Commercial Code) of the United States or any state of the United States. Notwithstanding the foregoing, the security interests granted hereby are effective immediately and their effectiveness is not contingent upon the occurrence of an Event of Default under this Agreement. Upon the occurrence and during the continuance of an Event of Default, the Lender in its discretion may declare the unpaid principal amount of the Note and accrued interest thereon to be immediately due and payable, upon which declaration such principal amount and such accrued interest shall immediately become due and payable without further act or notice of any kind.

SECTION 6.02. Remedies Cumulative. Each and every right, power and remedy herein specifically given to Lender shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Further Assistance. Borrower from time to time shall execute, deliver to Lender and file, and deliver to Lessee, all such instruments and take all such actions as Lender may reasonably request in order to preserve and protect the security interest granted or intended to be granted to Lender hereunder, to effectuate the purpose of this Agreement or to carry out the terms hereof, including, without limitation, the execution and filing of financing statements or continuation statements under the Uniform Commercial Code. Borrower hereby authorizes Lender to file this Agreement or photocopy hereof or any such financing statements or continuation statements (and to sign the same on behalf of Borrower) with respect to the Collateral with any appropriate governmental office in order to preserve, protect, perfect or continue the perfection of any and all security interests granted or created hereby.

SECTION 7.02. Assignment by Borrower. Borrower may not sell its interest in the Equipment nor assign its interest as Lessor under the Lease to any person without the prior written consent of Lender, unless all obligations of Borrower to Lender under this Agreement and the Note are satisfied in connection with such sale.

SECTION 7.03. Assignment by Lender. All or any of the right, title or interest of Lender in, to or under this Security Agreement and the rights, benefits and advantages of Lender hereunder may be assigned or transferred and may be reassigned or retransferred by any assignee of Lender at any time and from time to time, but such assignment shall not be effective until Borrower has received written notice thereof.

SECTION 7.04. Termination. The assignments made and the security interests created hereunder shall terminate when all the obligations of Borrower under the Note and this Agreement then due and unpaid shall have been discharged and all amounts due hereunder have been paid, and Lender, at the request of Borrower, will execute termination statements and such other documents as may be necessary or appropriate to make clear upon the public records and otherwise the termination of any and all such assignments and security interests.

SECTION 7.05 Controlling Law; Successors and Assigns. This Agreement shall be governed by and be construed in accordance with the laws of the State of New York (except to the extent that the law of any other state makes mandatory the application of the law of said state) and shall inure to the benefit of and be binding upon Borrower and Lender and their respective successors and assigns.

SECTION 7.06. Changes, Waivers, etc. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement thereof is sought. No failure or delay by Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 7.07. Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communication required or permitted by the term hereof shall be in writing, and any such notice shall become effective five (5) business days after being deposited in the mails, certified or registered, with appropriate postage prepaid for first-class mail, return receipt requested, or, if delivered by hand, when received, and shall be directed (i) if to Lender or to Borrower, to the respective addresses set forth opposite the signatures of such parties at the foot of this Agreement, or (ii) if to any assignee or successor in interest of Borrower or Lender, addressed to such assignee or successor in interest at such address as such assignee or successor in interest shall have furnished by notice to the Lender or the other parties hereto, or (iii) to such other address as any such party or any such assignee or successor in interest may designate by notice given to the parties hereto.

SECTION 7.08. Notice to Borrower. Lender agrees that it shall give Borrower prompt written notice of any application by Lessee for a waiver, consent, amendment or modification of the Lease.

SECTION 7.09. Costs. Except as provided for in this Section, each party hereto shall pay its own costs and expenses in connection with the transactions contemplated by this Agreement.

SECTION 7.10. Separability. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect,

the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 7.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

SECTION 7.12. Section Headings. The section headings in this Agreement have been inserted for convenience only and form no part of this Agreement.

SECTION 7.13. Power of Attorney. Borrower does hereby constitute Lender its true and lawful attorney, irrevocable, with full power (in the name of Borrower or otherwise) for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the lien of this Agreement, whether pursuant to foreclosure or power of sale or otherwise, and to execute and deliver all such Bills of Sale, assignments and other instruments as Lender may consider necessary or appropriate, with full power of substitution. If so requested by Lender or any purchaser, Borrower shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Lender or such purchaser all Bills of Sale, Assignments, Releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

SECTION 7.14. Consent to Jurisdiction. The Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any competent court of law sitting in the State of Ohio, in any action or proceedings arising out of or relating to this Agreement and the other agreements or documents herein contemplated and hereby agrees that all claims in respect of such action or proceeding may be heard and determined in such court. The Borrower hereby irrevocably waives to the fullest extent it may effectively do so, the defense of any inconvenient forum to the maintenance of such action or proceeding.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CIS CORPORATION

By: _____

Title: _____

Address: 909 Montgomery Street
Third Floor
San Francisco, California 94133
Attention: Vice President,
Capital Equipment
Group

THE PROVIDENT BANK

By: Walter E. Nelson

Title: Asst Secretary

Address: One East Fourth Street
Cincinnati, Ohio 45269
Attention: Forest Frank

STATE OF NEW YORK)
) ss:
COUNTY OF)

On this _____ day of _____, 1987, before me personally appeared _____, to me personally known, who being by me duly sworn says that such person is _____ of CIS Corporation, that the foregoing Security Agreement and Assignment of Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

STATE OF OHIO)
) ss:
COUNTY OF)

On this 10th day of September, 1987, before me personally appeared Mark E. Mayer, to me personally known, who being by me duly sworn says that such person is Assistant Secretary of The Provident Bank, that the foregoing Security Agreement and Assignment of Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Brenda L. Oswald
Notary Public
BRENDA L. OSWALD
Notary Public, State of Ohio
My Commission Expires Oct. 15, 1991

SCHEDULE A

to Security Agreement and
Assignment of Lease

The Units described as follows:

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Road Numbers</u>
90	Greenville Steel Co.	1968 Rotary Gondola Railcars; AAR Car Type Code J402	PLMX 40000 through and including PLMX 40089

SECURITY AGREEMENT AND
ASSIGNMENT OF LEASE

Dated as of SEPTEMBER 18, 1987

Between

CIS CORPORATION

and

THE PROVIDENT BANK

CSX Transportation, Inc.
Ninety (90) Rotary Gondola
Railcars

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SECURITY AGREEMENT AND
ASSIGNMENT OF LEASE

SECURITY AGREEMENT AND ASSIGNMENT OF LEASE dated as of SEPTEMBER 18, 1987 between CIS CORPORATION, a New York corporation, (the "Borrower") and THE PROVIDENT BANK, (the "Lender"):

W I T N E S S E T H:

WHEREAS, PLM Railcar Management Services, Inc. ("Seller") owns ninety (90) Greenville Steel Co. built Rotary Gondola Railcars and manages thirteen (13) Greenville Steel Co. built Rotary Gondola Railcars (all one hundred three (103) Railcars being hereinafter collectively called the "Railcars"), all as more particularly described in the Lease (as hereinafter defined);

WHEREAS, the Seller leased to CSX Transportation, Inc. (the "Lessee") and the Lessee leased from the Seller the Railcars pursuant to the terms and conditions of a Master Car Lease dated as of May 15, 1987 by and between the Seller and the Lessee (the "Lease");

WHEREAS, the Borrower wishes to purchase and the Seller wishes to sell all of the Seller's rights, title, and interest in and to all of the following property (collectively, the "Property"): (a) (i) the ninety (90) Railcars owned by the Seller and described in Schedule A attached hereto and made a part hereof by reference (collectively, the "Units") and (ii) all additions, parts, fittings, appurtenances, other equipment, accessories, special tools, attachments, and accessions installed in or attached to the Units (all of the foregoing set forth in clause (a) being hereinafter sometimes collectively called the "Equipment"); (b) the Lease as it relates only and in any and all respects to the Equipment and all rights, powers, and remedies of the Seller under the Lease as it relates only and in any and all respects to the Equipment; and (c) any and all insurance policies, binders, and certificates, records, guaranties, endorsements, warranties, indemnity agreements, service contracts, maintenance agreements, financing statements, and other documents and agreements to the extent any relate to any of the foregoing;

WHEREAS, concurrently with the execution of this Agreement, Seller and Borrower have executed that certain Purchase and Sale Agreement and Partial Assignment of Lease, dated as of August 19, 1987 ("Purchase Agreement"), pursuant to which Seller, as seller, agreed to sell to Borrower, and Borrower, as purchaser, has agreed to purchase from Seller, the Property;

WHEREAS, pursuant to the terms and conditions of an Equipment Management Agreement of even date herewith (the "Management Agreement") by and between the Borrower and PLM Investment Management, Inc. ("PLM"), PLM has agreed to perform the obligations and pay the indebtedness of the Borrower under any leases of the Equipment (including the Lease);

WHEREAS, Lender and Borrower intend that Lender shall finance certain obligations of Borrower under the Purchase Agreement;

WHEREAS, the Borrower will finance the purchase price of the Property by issuing a promissory note (hereinafter called the "Note") to the Lender; and

WHEREAS, as security for the obligations of the Borrower under the Note, subject to the rights of Lessee under the Lease, Borrower shall grant to the Lender a first priority security interest in the Property and will assign to the Lender the obligations of Lessee under the Lease.

NOW THEREFORE, the parties hereto hereby agree as follows:

ARTICLE I

DEFINITIONS: AMOUNT AND TERMS OF LOAN

SECTION 1.01. Definitions. Unless otherwise defined herein, all capitalized terms not defined herein shall have the meanings set forth in the Lease.

SECTION 1.02. The Loan. Lender agrees, on the terms and conditions hereinafter set forth, to make a loan (the "Loan") to Borrower in the principal amount of \$1,246,140.00 on or before September 30, 1987 ("Delivery Date").

SECTION 1.03. The Note. The Loan shall be evidenced by the Note received by Lender pursuant to Article II hereof, in form satisfactory to Lender, payable to the order of the Lender in the principal amount of the Loan.

SECTION 1.04. Making the Loan. Borrower agrees to give to Lender written or telephone notice (to be confirmed promptly in writing) (the "Borrowing Notice") specifying the date, the bank and the identification of all accounts into which the proceeds of the Loan are to be made to permit wire transfer. Not later than 12:00 p.m. (Cincinnati Time) on the scheduled funding date (the "Closing Date") and upon fulfillment of the applicable conditions set forth in Article II hereof, the Lender will wire transfer the proceeds of the Loan to the bank or banks specified in the Borrowing Notice.

SECTION 1.05. Repayment of Principal of and Interest on the Loan. Borrower shall pay the principal of and interest on the Loan in the amounts and at the times, rates and amounts specified in the Note.

SECTION 1.06 Interest. Interest shall accrue on the unpaid principal amount of the Loan from and including the date of the Loan to but not including the date of the payment in full thereof at a rate specified in the Note; provided, however, that notwithstanding any provision of this agreement to the contrary, the rate of interest on the Loan shall at no time exceed the maximum interest rate which Lender is permitted to charge from time to time under applicable laws.

SECTION 1.07 Computation of Interest. Interest hereunder and under the Note shall be computed on the basis of a 360-day year period.

ARTICLE II

CONDITIONS PRECEDENT

SECTION 2.01. Conditions Precedent to the Loan.

(a) The obligation of Lender to make the Loan to the Borrower on the Closing Date is subject to fulfillment of the following conditions:

(1) The Lender has received evidence satisfactory in form and substance to it as to the following:

(A) The Borrower has good and marketable title to the Collateral (as hereinafter defined), free and clear of all liens.

(B) The Lender has a duly perfected security interest in the Collateral (as defined below) enforceable in accordance with the terms of this Agreement.

(C) Appropriate Uniform Commercial Code financing statements or other documents covering the security interest granted to the Lender hereunder have been delivered to the Lender for filing in each jurisdiction necessary or advisable to perfect or protect the security interest granted hereunder.

(D) The acknowledgment and consent of Lessee as to the assignment by Borrower to the Lender of the Lease.

(2) The acquisition by Lender of the Note to be acquired by it on the Closing Date shall be permitted as a legal investment for the Lender under the laws or applicable rules of the jurisdiction of its organization or to which it is subject.

(3) Borrower has executed the Note in form and substance satisfactory to Lender's counsel.

(4) No default under the Lease, the Purchase Agreement or this Agreement has occurred and is continuing on the Closing Date.

(5) The Lender shall have received certificates of the insurers, satisfactory in form and substance to it, as to the insurance maintained and carried with respect to the Equipment.

(6) The Lender has received such other documents, certificates and opinions as it or Lender's counsel shall reasonably request.

(7) There shall not have been, in the opinion of the Lender, any material adverse change in the business, financial condition or operations of the Borrower or the Lessee.

(8) The Borrower shall have given written or telegraphic notice to the Lender at least one business day prior to the Closing Date, specifying the date of the Closing Date.

(b) The Lender agrees that the making available to the Borrower of the amount of the Loan on the Closing Date shall constitute, without further action by such Lender, conclusive evidence, as between the Borrower and such Lender, that the conditions set forth in paragraph (a) of this Section have been complied with in a manner satisfactory to such Lender.

ARTICLE III

COLLATERAL SECURITY

SECTION 3.01 Grant of Security. Borrower hereby transfers, assigns and sets over to Lender and grants to the Lender, subject to the Lessee's rights created pursuant to the Lease, a security interest in the following (the "Collateral"):

(a) Each installment of rent and all other amounts payable pursuant to the Lease;

(b) All right, title and interest of Borrower as lessor under the Lease together with all rights, powers, privileges and other benefits of Borrower pursuant to the Lease, including without limitation the right to receive and collect all payments, awards, insurance proceeds and other sums receivable by the Borrower pursuant to the Lease, whether from an insurer or Lessee, and to make all waivers, consents and agreements, to give and receive all notices and instruments and to do all other things which the Borrower is or may become entitled to do as lessor under the Lease and to act as Borrower's attorney-in-fact to take any actions under any insurance on the Equipment necessary to protect Lender's security interest hereunder. Notwithstanding this paragraph, unless and until an Event of Default under this Agreement shall have occurred and be continuing, Borrower shall, except as provided in Section 3.05 hereof, be permitted to exercise all rights under the Lease consistent with the terms hereof;

(c) All claims, rights, powers, privileges and remedies on the part of Borrower with respect to (i) (1) the Units and (2) all additions, parts, fittings, appurtenances, other equipment, accessories, special tools, attachments, and accessions installed in or attached to the Units; (ii) the Lease as it relates only and in any and all respects to the Equipment and all rights, powers, and remedies of the Seller under the Lease as it relates only and in any and all respects to the Equipment; and (iii) any and all insurance policies, binders, and certificates, records, guaranties, endorsements, warranties, indemnity agreements, service contracts, maintenance agreements, financing statements, and other documents and agreements to the extent any relate to any of the foregoing, whether arising under the Lease or by statute, at law, in equity or otherwise, after any default under the Lease, or any event or condition which, with the passage of time or the giving of notice, or both, would constitute a default under the Lease;

(d) All right, title and interest of Borrower in (i) the Property; (ii) each and every part whether or not the same shall be or remain incorporated or installed in or attached to any portion of the property referred to in clause (i) above; and (iii) all estates, interests, rights, powers and privileges of Borrower in respect of the foregoing;

(e) All rights of Borrower, in and to the Purchase Agreement and the Management Agreement, together with all estates and interests of Borrower therein and thereto, and all rights, powers and privileges of Borrower thereunder or in respect thereof, and any and all payments thereunder or in respect thereof to which Borrower is or may become entitled;

(f) all right, title and interest of Borrower in and to any other leases or subleases of the Equipment; and

(g) all proceeds from the sale, loan, exchange, lease or other disposition of any of the foregoing including, without limitation, proceeds of involuntary dispositions of the foregoing (including any insurance proceeds);

together with full power and authority, in the name of Lender or Borrower or otherwise, or as attorney-in-fact of Borrower hereby irrevocably constituted, to enforce, collect, receive and receipt for any and all of the foregoing sums assigned, or entitled to be received pursuant to other rights assigned.

SECTION 3.02. Security for Note. This Agreement is made for the benefit of the Lender and any subsequent holder of the Note to secure the payment of the principal of and interest on all outstanding indebtedness under the Note, and the performance of and compliance with all the terms of the Note and of this Agreement, and all costs and expenses of Lender incurred in connection with enforcing performance of and compliance with all the terms of the Note and of this Agreement (all such obligations of the Borrower hereafter referred to as the "Obligations").

SECTION 3.03 Application of Assigned Moneys. (a) If the Note has not been declared to be due and payable in accordance with the provisions of this Agreement, or if any such declaration no longer remains in full force and effect, then all sums paid by Lessee pursuant to the Lease and received by Lender shall be turned over to Borrower (but without any obligation whatever on the part of Lender to see to the application of such sums).

(b) If the Note has been declared to be due and payable in accordance with the provisions of this Agreement, and at all times during which such declaration remains in full force and effect, all sums referred to in Sections 3.03(a) shall be applied upon receipt: First, to the full and final payment of the Note; second, to the payment of any other amounts then due and unpaid under this Agreement; with the balance, if any, to be paid to Borrower.

SECTION 3.04. Prepayment of the Note. The Note can be prepaid at any time without penalty.

SECTION 3.05. Protection of Security. Further to preserve and protect the security afforded the Lender by this Agreement, Borrower agrees:

(a) To perform and comply with each and every term of the Lease and this Agreement to be performed or complied with by Borrower.

(b) Unless the prior written consent (such consent not to be unreasonably withheld) of the Lender is obtained, Borrower shall not waive, amend, modify, or in any way alter any of the terms of the Lease or cancel or terminate the Lease or consent to or accept any cancellation, termination or surrender thereof, or

waive any default under or breach of the Lease, or consent to or accept any prepayment of rent under the Lease or agree to any discount of rent thereunder, or give any other consent or notice other than a notice with respect to a default under the Lease or other immaterial notices which do not affect Lessor's rights under the Lease or make any agreement with Lessee with respect to the Lease.

(c) If Borrower shall fail to make any payment or do any act as provided herein, then Lender may (but shall not be obligated to), without prior notice to or demand on Borrower and without releasing Borrower from any obligation hereunder, make or do the same in such manner and to such extent as Lender may deem necessary or advisable to preserve and protect the Collateral secured hereby, including specifically, without limiting Lender's general powers, the right to appear in and defend any action or proceeding purporting to affect the security interest in the Collateral created by this Agreement or the rights or powers of the Lender hereunder, and the right to perform and discharge each and every obligation, covenant and agreement of Borrower contained in the Lease; and in exercising any such powers, Lender may incur reasonable costs and expenses (including, but not limited to, the reasonable fees and actual expenses of counsel), for which costs and expenses Lender shall be reimbursed by Borrower from the Collateral to the extent not reimbursed by Lessee. Lender shall give Borrower written notice of any action taken by it pursuant to this paragraph.

(d) Borrower agrees that it will use its best efforts to assist Lender in verifying the location and condition of the Collateral and that Lender may at any reasonable time during ordinary business hours at its option, whether or not Borrower is in default, inspect the books and records of Borrower and make copies thereof or extracts therefrom, which inspection shall be reasonably related to the transactions contemplated hereunder.

(e) Borrower shall not directly or indirectly create, incur, assume or suffer to exist any Lien on or with respect to the Property title thereto or any interest therein or in the Lease except (i) the respective rights of Borrower and Lessee under the Lease; (ii) the security interest created by this Agreement; and (iii) materialman's, mechanic's, workmen's, repairmen's, employees or other like liens arising in the ordinary course of business.

SECTION 3.06. Protection of Security Interest. Borrower hereby appoints Lender its true and lawful attorney, with full power of substitution in the premises, to enforce Borrower's rights as lessor under the Lease and to take any other action which Lender may deem necessary or appropriate to protect and preserve the security interest of Lender in the Collateral.

SECTION 3.07. No Assumption by the Lender. Anything contained herein or in the Lease to the contrary notwithstanding: (a) Borrower shall at all times remain liable to Lessee under the Lease to perform all its duties and obligations as lessor thereunder to the same extent as if this Agreement had not been executed; (b) the exercise by Lender of any of the rights assigned to it hereunder shall not release Borrower from any of its duties or obligations under the Lease; and (c) Lender shall not have any obligation or liability under the Lease by reason of, or arising out of, this Agreement, or be obligated to perform any of the obligations or duties of Borrower under the Lease or to make any payment or to make any inquiry as to the sufficiency of any payment received by it or to present or file any claim or to take any other

action to collect or enforce any claim for any payment assigned hereunder, or to pay or to see to the payment of or to make any filings in respect of any taxes levied on or with respect to the Lease, the rentals thereunder or the Equipment.

SECTION 3.08. Continuing Security Interest; Transfer of Note. This Article III shall create a continuing security interest in the Collateral and shall (i) remain in full force and effect until payment in full of the Obligations, (ii) be binding upon Borrower, its successors and assigns and (iii) inure, together with the rights and remedies of Lender hereunder, to the benefit of Lender, and its successors, transferees and assigns. Without limiting the generality of the foregoing clause (iii), Lender may assign or otherwise transfer the Note held by it to any other person or entity, and such other person or entity shall thereupon become vested with all the benefits in respect thereof granted to Lender herein or otherwise. Upon the payment in full of the Obligations, the security interest granted hereby shall terminate and all rights to the Collateral shall revert to Borrower. Upon any such termination, the Lender will, at Borrower's expense, execute and deliver to Borrower such documents as Borrower shall reasonably request to evidence such termination.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES

SECTION 4.01. Representations and Warranties of the Borrower.

(a) Borrower represents, warrants and covenants that

(i) The Borrower is a corporation duly organized and validly existing in good standing under the laws of the State of New York and has full power and authority to enter into and perform its obligations under the Basic Documents (as hereinafter defined);

(ii) The execution, delivery and performance by the Borrower of this Agreement, the Note, the Lease, the Management Agreement and the Purchase Agreement (the "Basic Documents") have been duly authorized by all necessary corporate action and under present law do not and will not contravene any law or any governmental rule or regulation or any judgment decree or order presently binding on Borrower or its Articles of Incorporation or By-laws or contravene the provisions of, or constitute a default under, or result in the creation of any lien, charge or encumbrance upon any property of the Borrower, except for the Property, under, any indenture, mortgage, contract or other agreement or instrument to which it is a party or by which it or its property is bound;

(iii) The execution, delivery and performance by the Borrower of the Basic Documents do not require the consent, approval, authorization or order of, the giving of notice to, the registration or filing with, or the taking of any other action in respect of, any Federal, state or other governmental authority or agency;

(iv) The Basic Documents have been duly authorized, executed and delivered by the Borrower and, assuming the due authorization, execution and delivery hereof by the other party hereto, constitute legal, valid and binding agreements of the Borrower enforceable against the Borrower in accordance

with their respective terms and the Lease is a legal, valid and binding obligation of Lessee, assuming due authorization, execution and delivery by Lessee, enforceable in accordance with its terms, except as enforceability thereof may be limited by the availability of equitable remedies;

(v) There are no actions, suits or proceedings pending or, to the knowledge of the Borrower, threatened, before any court, administrative agency, arbitrator or governmental body which individually or in the aggregate, might materially impair the ability of the Borrower to perform its obligations hereunder and under the Note and the Borrower is not in default under any indenture, mortgage, contract or other agreement or instrument to which it is a party or by which is or its property is bound;

(vi) On the closing date hereof, Borrower shall have title to the Equipment free and clear of all liens, claims, charges or other encumbrances whatsoever, except the security interest created by this Agreement;

(vii) Financing statements under the Uniform Commercial Code in the form requested by Lender have been executed by Borrower, where appropriate, and have been or shall be delivered to Lender for filing against Borrower in all jurisdictions where such filing is necessary or advisable in order to protect and establish the security interest for Lender granted hereunder and no further action, including any filing or recording of any document (including any financing statement in respect thereof under the Uniform Commercial Code of any applicable jurisdiction), except the filing of this Agreement under Section 11303 of the Interstate Commerce Commission Act, is necessary in order to establish and perfect Lender's security interest granted hereunder against any third parties in any jurisdiction;

(viii) The Note will be entitled to the benefits and security of this Agreement;

(ix) This Agreement creates a valid security interest in favor of Lender in respect of the Equipment and the Lease, which security interest shall be superior in right to all claims of secured and unsecured creditors of Borrower and to all other security interests, liens, claims and encumbrances other than the rights of the Lessee under the Lease; and

(x) The chief executive officer of Borrower is in Syracuse, New York and the office where Borrower keeps its records relating to the Equipment is in San Francisco, California.

(b) Borrower will at all times during the term of this Agreement carry and maintain or cause to be carried and maintained on the Equipment, at its own cost and expense, public liability, property damage and all-risk insurance, all in such form (including the loss payee clause) and with such insurance companies, underwriters or funds as shall be satisfactory to Lender and as is customary for companies owning Equipment of a similar character to the Equipment and engaged in operation similar to that engaged in by the Borrower in respect of the Equipment. All public liability and property damage insurance shall insure against liability which Lender, Borrower or their respective successors and assigns might incur by reason of the operation of the Equipment in any area in which the Equipment is operated.

All liability policies shall name the Borrower as an additional insured and Lender as additional named insured. All policies required hereby covering loss or damage to the Equipment shall provide that payment thereunder for any loss or damage shall be made to Lender as sole loss payee, and excess coverage, if any, payable to Borrower. All policies shall insure the interest of Lender regardless of any breach or violation by Borrower of warranties, declarations or conditions contained in such policies or any action or inaction of the Borrower or others; each such policy shall be primary without right of contribution from any other insurance which is carried by Lender and shall expressly provide that all provisions thereof, except the limits of liability, shall operate in the same manner as if there were a separate policy covering each insured; each such policy shall waive any right of the insurers to any set-off of counterclaim or any other deduction, whether by attachment or otherwise, in respect of any liability of Lender or Borrower; and each such policy shall provide that, if any premium or installment is not paid when due, or if such insurance is cancelled, terminated or materially changed for any reason whatsoever, the insurers will promptly notify Lender, and any such cancellation, termination or change shall not be effective as to Lender until 30 days after receipt of such notice. In the event that Borrower shall fail to maintain insurance as herein provided, Lender may at its option provide such insurance and, in such event, Borrower shall, upon demand, reimburse Lender for the cost thereof with interest at the rate of Fifteen Percent (15%).

As between the Borrower and Lender, it is agreed that all insurance payments received as the result of the complete loss, theft, destruction or damage with respect to the Equipment which renders repair impracticable or uneconomical (an "Event of Loss") will be applied so that so much of such payments as shall not exceed the remaining balance of principal and interest owing under the Note and all other amounts due hereunder and required to be paid by Borrower shall be applied in reduction of the Borrower's obligation to pay such amounts, if not already paid by Borrower, or, if already paid by Borrower, shall be applied to reimburse Borrower for its payment of such amounts, and the balance, if any, of such payment remaining thereafter will be paid over to, or retained by, Borrower.

As between Borrower and Lender, the insurance proceeds of any property damage loss not constituting an Event of Loss with respect to the Equipment will be applied in payment (or to reimburse Borrower) for repairs or for replacement provided Borrower is not in default hereunder, and any balance remaining after such repair or replacement shall be paid to Borrower.

Borrower shall furnish Lender with certificates or other satisfactory evidence of the maintenance of the insurance required hereunder and shall furnish certificates evidencing renewal prior to the expiration date of the original and any renewal policy or policies.

ARTICLE V

EVENTS OF DEFAULT

SECTION 5.01. Events of Default. If any of the following events ("Events of Default") shall occur and be continuing:

(a) Any installment of principal of or interest on the Note shall not be paid within ten (10) days of the due date thereof; or

(b) Any representation or warranty made by Borrower in this Agreement or by Borrower (or any of its officers) in any certificate, agreement, instrument or statement contemplated by or made or delivered pursuant to or in connection with this Agreement shall prove to have been incorrect in any material respect when made; or

(c) Borrower shall fail to perform or observe any other term, covenant or agreement contained in this Agreement on its part to be performed or observed and such failure shall continue for thirty (30) days after written notice from Lender; or

(d) Borrower shall be adjudicated a bankrupt or insolvent, or admit in writing its inability to pay its debts as they mature, or make an assignment for the benefit of creditors; or shall apply for or consent to the appointment of any receiver, trustee, or similar officer for it or for all or any substantial part of its property; or such receiver, trustee or similar officer shall be appointed without the application or consent of Borrower and such appointment shall continue undischarged for a period of 30 days; or Borrower shall institute (by petition, application, answer, consent or otherwise) any bankruptcy, insolvency, reorganization, arrangement, readjustment of debt, dissolution, liquidation or similar proceeding relating to it under the laws of any jurisdiction; or any such proceeding shall be instituted (by petition, application or otherwise) against Borrower and shall remain undismissed for a period of 30 days; or any judgment, writ, warrant of attachment of execution or similar process shall be issued or levied against the Collateral, or any part thereof and such judgment, writ or similar process shall not be released, vacated or fully bonded within 30 days after its issue or levy;

then, and in any such event, the Lender may, in addition to the remedies provided for in this Agreement and by written notice to Borrower, declare the entire unpaid principal amount of the Note, all interest accrued and unpaid thereon and all other amounts payable under this Agreement to be forthwith due and payable, whereupon the Note, all such accrued interest and all such amounts shall become and be forthwith due and payable, without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by Borrower.

ARTICLE VI

REMEDIES

SECTION 6.01. Remedies of Default. If an Event of Default under this Agreement shall occur and be continuing, then Lender, without the necessity of or the obligation to resort to any other security, shall have, in addition to the rights and remedies granted by this Agreement, the right at any time and from time to time, in its sole discretion, to exercise any rights and remedies granted to a secured party holding a purchase money security interest under the Uniform Commercial Code, and Lender may reduce its claim hereunder and on the Note to a judgment, foreclose or otherwise enforce the security interest granted hereby by any procedure, judicial or otherwise, as allowed by law. Any sale of the Collateral hereunder may be held in

Lender's discretion, in any of the following locations: where the Collateral is located, at the office of Borrower or at any of Lender's offices. Upon such sale, Lender may purchase the Collateral free from any equity or right of redemption, which is hereby waived. Upon such sale, after deducting all costs and expenses of every kind for sale or delivery (including, but not limited to, the reasonable fees and expenses of counsel for the Lender) from the proceeds of such sale, Lender shall apply any residue remaining to the payment of the liabilities of Borrower first under the Note and this Agreement. The balance, if any, remaining after payment in full of any and all such liabilities shall be paid to Borrower. Any right granted to Borrower under the Uniform Commercial Code of any state to redeem the Collateral prior to disposition or discharge of the obligation is expressly conditioned upon receipt of Lender of all funds then due under this Agreement and all expenses of Lender is retaking, holding and preparing the Collateral, including, without limitation, reasonable fees and expenses of counsel for Lender. The rights of Lender specified in this paragraph shall be cumulative and shall in no event be deemed exclusive of any other right Lender may have hereunder and pursuant to the laws (including without limitation the Uniform Commercial Code) of the United States or any state of the United States. Notwithstanding the foregoing, the security interests granted hereby are effective immediately and their effectiveness is not contingent upon the occurrence of an Event of Default under this Agreement. Upon the occurrence and during the continuance of an Event of Default, the Lender in its discretion may declare the unpaid principal amount of the Note and accrued interest thereon to be immediately due and payable, upon which declaration such principal amount and such accrued interest shall immediately become due and payable without further act or notice of any kind.

SECTION 6.02. Remedies Cumulative. Each and every right, power and remedy herein specifically given to Lender shall be cumulative and shall be in addition to every other right, power and remedy herein specifically given or now or hereafter existing at law, in equity or by statute.

ARTICLE VII

MISCELLANEOUS

SECTION 7.01. Further Assistance. Borrower from time to time shall execute, deliver to Lender and file, and deliver to Lessee, all such instruments and take all such actions as Lender may reasonably request in order to preserve and protect the security interest granted or intended to be granted to Lender hereunder, to effectuate the purpose of this Agreement or to carry out the terms hereof, including, without limitation, the execution and filing of financing statements or continuation statements under the Uniform Commercial Code. Borrower hereby authorizes Lender to file this Agreement or photocopy hereof or any such financing statements or continuation statements (and to sign the same on behalf of Borrower) with respect to the Collateral with any appropriate governmental office in order to preserve, protect, perfect or continue the perfection of any and all security interests granted or created hereby.

SECTION 7.02. Assignment by Borrower. Borrower may not sell its interest in the Equipment nor assign its interest as Lessor under the Lease to any person without the prior written consent of Lender, unless all obligations of Borrower to Lender under this Agreement and the Note are satisfied in connection with such sale.

SECTION 7.03. Assignment by Lender. All or any of the right, title or interest of Lender in, to or under this Security Agreement and the rights, benefits and advantages of Lender hereunder may be assigned or transferred and may be reassigned or retransferred by any assignee of Lender at any time and from time to time, but such assignment shall not be effective until Borrower has received written notice thereof.

SECTION 7.04. Termination. The assignments made and the security interests created hereunder shall terminate when all the obligations of Borrower under the Note and this Agreement then due and unpaid shall have been discharged and all amounts due hereunder have been paid, and Lender, at the request of Borrower, will execute termination statements and such other documents as may be necessary or appropriate to make clear upon the public records and otherwise the termination of any and all such assignments and security interests.

SECTION 7.05 Controlling Law; Successors and Assigns. This Agreement shall be governed by and be construed in accordance with the laws of the State of New York (except to the extent that the law of any other state makes mandatory the application of the law of said state) and shall inure to the benefit of and be binding upon Borrower and Lender and their respective successors and assigns.

SECTION 7.06. Changes, Waivers, etc. Neither this Agreement nor any provision hereof may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which the enforcement thereof is sought. No failure or delay by Lender in exercising any right, power or privilege hereunder shall operate as a waiver thereof; nor shall any single or partial exercise thereof preclude any other or further exercise thereof or the exercise of any other right, power or privilege.

SECTION 7.07. Notices. Unless otherwise specifically provided herein, all notices, consents, directions, approvals, instructions, requests and other communication required or permitted by the term hereof shall be in writing, and any such notice shall become effective five (5) business days after being deposited in the mails, certified or registered, with appropriate postage prepaid for first-class mail, return receipt requested, or, if delivered by hand, when received, and shall be directed (i) if to Lender or to Borrower, to the respective addresses set forth opposite the signatures of such parties at the foot of this Agreement, or (ii) if to any assignee or successor in interest of Borrower or Lender, addressed to such assignee or successor in interest at such address as such assignee or successor in interest shall have furnished by notice to the Lender or the other parties hereto, or (iii) to such other address as any such party or any such assignee or successor in interest may designate by notice given to the parties hereto.

SECTION 7.08. Notice to Borrower. Lender agrees that it shall give Borrower prompt written notice of any application by Lessee for a waiver, consent, amendment or modification of the Lease.

SECTION 7.09. Costs. Except as provided for in this Section, each party hereto shall pay its own costs and expenses in connection with the transactions contemplated by this Agreement.

SECTION 7.10. Separability. In case any one or more of the provisions contained in this Agreement shall be invalid, illegal or unenforceable in any respect,

the validity, legality and enforceability of the remaining provisions contained herein shall not in any way be affected or impaired thereby.

SECTION 7.11. Counterparts. This Agreement may be executed in two or more counterparts, each of which shall be an original, but all of which shall constitute but one and the same instrument.

SECTION 7.12. Section Headings. The section headings in this Agreement have been inserted for convenience only and form no part of this Agreement.

SECTION 7.13. Power of Attorney. Borrower does hereby constitute Lender its true and lawful attorney, irrevocable, with full power (in the name of Borrower or otherwise) for the purpose of effectuating any sale, assignment, transfer or delivery for the enforcement of the lien of this Agreement, whether pursuant to foreclosure or power of sale or otherwise, and to execute and deliver all such Bills of Sale, assignments and other instruments as Lender may consider necessary or appropriate, with full power of substitution. If so requested by Lender or any purchaser, Borrower shall ratify and confirm any such sale, assignment, transfer or delivery by executing and delivering to Lender or such purchaser all Bills of Sale, Assignments, Releases and other proper instruments to effect such ratification and confirmation as may be designated in any such request.

SECTION 7.14. Consent to Jurisdiction. The Borrower hereby irrevocably submits to the non-exclusive jurisdiction of any competent court of law sitting in the State of Ohio, in any action or proceedings arising out of or relating to this Agreement and the other agreements or documents herein contemplated and hereby agrees that all claims in respect of such action or proceeding may be heard and determined in such court. The Borrower hereby irrevocably waives to the fullest extent it may effectively do so, the defense of any inconvenient forum to the maintenance of such action or proceeding.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed as of the date first above written.

CIS CORPORATION

By: _____


ROSS W. STEVANO
VICE PRESIDENT - TREASURER

Address: 909 Montgomery Street
Third Floor
San Francisco, California 94133
Attention: Vice President,
Capital Equipment
Group

THE PROVIDENT BANK

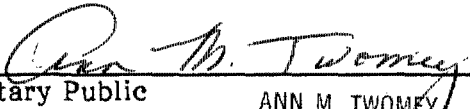
By: _____

Title: _____

Address: One East Fourth Street
Cincinnati, Ohio 45269
Attention: Forest Frank

• STATE OF NEW YORK)
)
COUNTY OF ONONDAGA) SS:

On this 14th day of September, 1987, before me personally appeared ROSS W. STEFANO, to me personally known, who being by me duly sworn says that such person is VICE PRESIDENT & TREASURER of CIS Corporation, that the foregoing Security Agreement and Assignment of Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.



Notary Public ANN M. TWOMEY
Notary Public in the State of New York
Qualified in Onon. Co. No. 4723332
My commission expires Oct. 31, 1988

STATE OF OHIO)
)
COUNTY OF) SS:

On this _____ day of _____, 1987, before me personally appeared _____, to me personally known, who being by me duly sworn says that such person is _____ of The Provident Bank, that the foregoing Security Agreement and Assignment of Lease was signed on behalf of said corporation by authority of its board of directors, and such person acknowledged that the execution of the foregoing instrument was the free act and deed of said corporation.

Notary Public

SCHEDULE A
to Security Agreement and
Assignment of Lease

The Units described as follows:

<u>Quantity</u>	<u>Manufacturer</u>	<u>Description</u>	<u>Road Numbers</u>
90	Greenville Steel Co.	1968 Rotary Gondola Railcars; AAR Car Type Code J402	PLMX 40000 through and including PLMX 40089